

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W

W-01732A
Willow Valley Water Company, Inc.
21410 N. 19th Ave., Suite 201
Phoenix, AZ 85027

* Revised *

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
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RECEIVED

APR 24 2008
UTILITIES DIVISION

FOR COMMISSION USE

ANN 04	07
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PROCESSED BY:

4-24-08

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Willow Valley Water Company Inc.

Mailing Address 21419 N 19th Ave., Suite 201
(Street)

Phoenix

(City)

AZ

(State)

85027

(Zip)

623-580-9600

Telephone No. (Include Area Code)

623-580-9659

Fax No. (Include Area Code)

602-615-4532

Cell No. (Include Area Code)

Email Address: graham.symmonds@gwresources.com

Local Office Mailing Address SAME
(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Graham Symmonds CTO & SVP, Regulatory Affairs & Compliance
(Name) (Title)

21410 N 19th Ave., Suite 20

(Street)

Phoenix

(City)

AZ

(State)

85027

(Zip)

(623) 580-9600

Telephone No. (Include Area Code)

(623) 580-9659

Fax No. (Include Area Code)

Cell No. (Include Area Code)

On Site Manager: SAME
(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Andy Abraham, Burch & Cracchiolo PLC
(Name)

702 East Osborn, Suite 200 Phoenix AZ 85014
(Street) (City) (State) (Zip)

(602) 274-7611 (602) 234-0341
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: Tim Sabo, Roshka DeWulf & Patten, PLC
(Name)

400 East Van Buren, Suite 800 Phoenix AZ 85004
(Street) (City) (State) (Zip)

(602) 256-6100 (602) 256-6800
Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address: _____

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|-------------------------------------------------|--------------------------------------------------------------------------------------|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|-----------------------------------|--------------------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input checked="" type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
303	Land and Land Rights	18,100	0	18,100
304	Structures and Improvements	131,891	80,457	51,434
307	Wells and Springs	72,967	41,804	31,163
309	Supply Mains	159	3	156
310	Power Generation Equipment	10,751	356	10,395
311	Pumping Equipment	477,782	263,426	214,356
320	Water Treatment Equipment	253,938	112,045	141,893
330	Distribution Reservoirs and Standpipes	264,538	92,786	171,752
331	Transmission and Distribution Mains	588,107	238,717	349,390
333	Services	93,410	42,553	50,857
334	Meters and Meter Installations	219,263	160,945	58,318
335	Hydrants	27,204	11,041	16,163
336	Backflow Prevention Devices	939	31	908
339	Other Plant and Misc. Equipment	7,666	329	7,337
340	Office Furniture and Equipment	20,172	12,892	7,280
341	Transportation Equipment	20,847	8,808	12,039
343	Tools, Shop and Garage Equipment	39,717	8,480	31,237
344	Laboratory Equipment	6,863	384	6,479
345	Power Operated Equipment	38,925	16,106	22,819
346	Communication Equipment	2,654	1,863	791
347	Miscellaneous Equipment	7,481	804	6,677
348	Other Tangible Plant	3,937	2,613	1,324
	TOTALS	2,307,311	1,096,443	1,210,868

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
303	Land and Land Rights	18,100	0.00%	0
304	Structures and Improvements	131,891	3.33%	4,117
307	Wells and Springs	72,967	3.33%	2,275
309	Supply Mains	159	2.00%	3
310	Power Generation Equipment	10,751	5.00%	312
311	Pumping Equipment	477,782	12.50%	33,586
320	Water Treatment Equipment	253,938	3.33%	8,307
330	Distribution Reservoirs and Standpipes	264,538	2.22%	5,794
331	Transmission and Distribution Mains	588,107	2.00%	10,829
333	Services	93,410	3.33%	3,021
334	Meters and Meter Installations	219,263	8.33%	8,481
335	Hydrants	27,204	2.00%	544
336	Backflow Prevention Devices	939	6.67%	31
339	Other Plant and Misc. Equipment	7,666	6.67%	292
340	Office Furniture and Equipment	20,172	6.67%	925
341	Transportation Equipment	20,846	20.00%	3,637
343	Tools, Shop and Garage Equipment	39,717	5.00%	1,501
344	Laboratory Equipment	6,863	10.00%	364
345	Power Operated Equipment	38,925	5.00%	1,723
346	Communication Equipment	2,654	10.00%	182
347	Miscellaneous Equipment	7,481	10.00%	589
348	Other Tangible Plant	3,937	3.33%	684
	Plus Depreciation on Non-Utility Assets			776
	TOTALS	2,307,311		87,973

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 42,658	\$ 1,500
132	Special Deposits	0	28,478
134	Working Funds	0	0
135	Temporary Cash Investments	75,150	0
141	Customer Accounts Receivable	24,770	39,841
142	Other Accounts Receivable	0	350
143	Accumulated Provision for Uncollectible Accounts	0	(1,977)
146	Notes/Receivables from Associated Companies	0	0
151	Plant Material and Supplies	15,163	16,668
162	Prepayments	0	5,029
125	Other Investments	0	20,588
173	Accrued Utility Revenue	1,184	2,691
174	Miscellaneous Current and Accrued Assets	20,065	0
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 178,990	\$ 113,169
	FIXED ASSETS		
101	Utility Plant in Service	\$ 2,041,077	\$ 2,307,311
103	Property Held for Future Use	0	0
105	Construction Work in Progress	23,153	442,450
108	Accumulated Depreciation – Utility Plant	(1,027,312)	(1,096,443)
121	Non-Utility Property	0	11,645
122	Accumulated Depreciation – Non Utility	0	(4,836)
	TOTAL FIXED ASSETS	\$ 1,036,918	\$ 1,660,126
	OTHER ASSETS		
114	Utility Plant Acquisition Adjustment	\$ 0	\$ (67,209)
190	Accumulated Deferred Income Taxes	0	84,666
	TOTAL OTHER ASSETS	\$ 0	\$ 17,457
	TOTAL ASSETS	\$ 1,215,908	\$ 1,790,752

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 57,640	\$ 28,136
232	Notes Payable (Current Portion)	32,653	14,824
234	Notes/Accounts Payable to Associated Companies	0	0
235	Customer Deposits	7,900	6,800
236	Accrued Taxes	15,855	11,808
237	Accrued Interest	2,117	1,421
241	Miscellaneous Current and Accrued Liabilities	9,739	41,261
253	Other Deferred Credits	0	19,605
	TOTAL CURRENT LIABILITIES	\$ 125,904	\$ 123,854
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 478,941	\$ 229,034
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ 0	\$ 0
252	Advances in Aid of Construction	628,172	628,825
255	Accumulated Deferred Investment Tax Credits	0	0
271	Contributions in Aid of Construction	0	0
272	Less: Amortization of Contributions	0	0
281	Accumulated Deferred Income Tax	9,423	0
	TOTAL DEFERRED CREDITS	\$ 637,595	\$ 628,825
	TOTAL LIABILITIES	\$ 1,242,440	\$ 981,713
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 53,000	\$ 0
504	Preferred Stock Issued	135,100	0
211	Paid in Capital in Excess of Par Value	13,840	795,762
215	Retained Earnings	(228,472)	13,277
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (26,532)	\$ 809,039
	TOTAL LIABILITIES AND CAPITAL	\$ 1,215,908	\$ 1,790,752

COMPANY NAME: WILLOW VALLEY WATER COMPANY**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 480,886	\$ 475,593
460	Unmetered Water Revenue	0	0
465	Sales to Irrigation Customers	0	13,017
471	Miscellaneous Service Revenues	0	20,959
474	Other Water Revenues	21,961	0
	TOTAL REVENUES	\$ 502,848	\$ 509,569
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 71,634	\$ 0
604	Employee Pensions and Benefits	10,752	0
610	Purchased Water	190	95
615	Purchased Power	28,626	37,730
616	Fuel for Power Production	1,016	517
618	Chemicals	5,355	17,602
620	Repairs and Maintenance	16,816	55,210
621	Office Supplies and Expense	17,706	0
630	Outside Services	217,277	0
634	Contractual Services – Management Fees	0	235,069
635	Water Testing	2,119	6,931
636	Contractual Services - Other	0	11,347
641	Rents	634	0
642	Rental of Equipment	0	2,811
650	Transportation Expenses	10,502	0
657	Insurance – General Liability	0	0
659	Insurance - Health and Life	0	0
666	Regulatory Commission Expense – Rate Case	0	0
670	Bad Debt Expense	0	2,554
675	Miscellaneous Expense	4,350	3,588
403	Depreciation Expense	98,439	87,973
408	Taxes Other Than Income	6,367	0
408.10	Taxes Other Than Income – Utility Regulatory	0	730
408.11	Property Taxes	26,350	23,616
408.13	Taxes Other Than Income – Other Taxes/Licenses	0	450
409	Income Tax	0	0
	TOTAL OPERATING EXPENSES	\$ 518,133	\$ 486,222
	OPERATING INCOME/(LOSS)	\$ (7,412)	\$ 23,347
	OTHER INCOME/(EXPENSE)		
414	Gains (Losses) from Disposition - Utility Property	\$ 0	\$ 7,447
419	Interest and Dividend Income	1,687	4,315
421	Non-Utility Income	2,773	0
426	Miscellaneous Non-Utility Expenses	0	0
427	Interest Expense	(37,597)	(27,396)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (33,137)	\$ (15,614)
	NET INCOME/(LOSS)	\$ (48,423)	\$ 7,734

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	1/1995	12/1998	8/1998	12/2002
Source of Loan	CoBank	CoBank	WIFA	WIFA
ACC Decision No.	58918	60713	60713	64891
Reason for Loan	Plant Improvements	Willow Office Building	Plant Improvements	Well Site Upgrades
Dollar Amount Issued	\$300,000	\$75,350	\$232,650	\$110,000
Amount Outstanding	\$-0-	\$-0-	\$154,869.02	\$88,988.88
Date of Maturity	6/2015	12/2018	9/2018	12/2022
Interest Rate	9.53%	Variable 8.00%	6.125%	4.375%
Current Year Interest	\$11,772.28	\$2,058.18	\$9,895.62	\$3,998.11
Current Year Principle	\$193,805.05	\$58,908.04	\$10,626.81	\$4,396.85

Meter Deposit Balance at Test Year End \$59,524.00

Meter Deposits Refunded During the Test Year \$10,163.50

COMPANY NAME: WILLOW VALLEY WATER COMPANY

Name of System: 08-040 & 08-129

ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-603947(King St)	15	500	97	8	4	
55-603949(Unit 17)	15	400	86	8	6	
55603951(Unit 1) Inoperable	15	250	100	16	4	
55-603952(Riding Club) Inoperable	5	90	91	20	3	
55-604161(Lake Cimarron Little)	5	225	102	16	6	
55-604160 (Lake Cimarron Big)	10	400	100	12	14	

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
30	2	34	24
15	8		
40	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
210,000	1	13,000	1
150,000	1	5,000	3
93,000	1	2,000	1
50,000	1	80	4

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: WILLOW VALLEY WATER COMPANY

Name of System: ADEQ Public Water System Number: 08-040 & 08-129

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2	PVC	565
3	PVC	2,387
4	PVC	76,262
5		
6	PVC	43,110
8	PVC	26,852
10	PVC	1,510
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	1,530
3/4	12
1	16
1 1/2	2
2	2
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	2
Comp. 6	3
Turbo 6	
Hydrant	4

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

NaOCl Injection System

Iron & Manganese removal system at Unit 17

STRUCTURES:

Office Building; Fences around well sites; Wood shed ant King St.

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Willow Valley Water Company		
Name of System:	Lake Cimarron	ADEQ Public Water System Number: 08-129

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

PWS #08-129 Lake Cimarron System

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	119	703	854	
FEBRUARY	121	483	714	
MARCH	126	808	1281	
APRIL	122	885	2292	
MAY	123	935	2577	
JUNE	121	1,035	3032	
JULY	123	1,420	3914	
AUGUST	126	997	2003	
SEPTEMBER	136	1,494	1780	
OCTOBER	127	869	1273	
NOVEMBER	126	799	1044	
DECEMBER	125	540	850	
TOTALS →		10,968	21,614	

What is the level of arsenic for each well on your system? See below mg/l
(If more than one well, please list each separately.)

ADWR #55604161 Lake Cimarron 5 ppb

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
(☒) Yes (☐) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
(☐) Yes (☒) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
(☐) Yes (☒) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Willow Valley Water Company		
Name of System:	King Street	ADEQ Public Water System Number: 08-040

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

PWS #08-040 King Street (interconnected systems to 08-034)

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	1,270	4,343	8,047	
FEBRUARY	1,277	5,306	7,431	
MARCH	1,282	5,368	8,785	
APRIL	1,277	6,546	8,813	
MAY	1,283	7,569	10,897	
JUNE	1,280	7,936	11,442	
JULY	1,286	7,995	17,472	
AUGUST	1,289	8,179	11,646	
SEPTEMBER	1,302	7,426	6,570	
OCTOBER	1,284	5,151	8,803	
NOVEMBER	1,288	4,902	8,323	
DECEMBER	1,284	4,154	5,233	
TOTALS →		74,875	113,462	

*Total Water Pumped includes 6,400,000 gallons used for O&M system flushing; note 34,313,000 gallons sent to 08-034 system.

What is the level of arsenic for each well on your system? See below mg/l

(If more than one well, please list each separately.)

ADWR #55-063947 (King Street) < 2ppb

ADWR #55-603949 (Unit 17) N/A

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?

(X) Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Willow Valley Water Company

Name of System: Unit 1 ADEQ Public Water System Number: 08-034 (merged in ADEQ D/B with 08-040)

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

PWS #08-034 Unit 1 (interconnected to systems PWS 08-040)

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	159	1,856		
FEBRUARY	159	1,428		
MARCH	159	1,974		
APRIL	161	3,636		
MAY	163	4,299		
JUNE	162	4,532		
JULY	165	4,936		
AUGUST	165	2,764		
SEPTEMBER	169	3,230		
OCTOBER	161	2,253		
NOVEMBER	162	2,125		
DECEMBER	162	1,280		
TOTALS →		34,313	Included in 08-040 Above	

What is the level of arsenic for each well on your system? N/A mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? ____ GPM for ____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
(X) Yes () No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
() Yes (X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes (X) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: WILLOW VALLEY WATER COMPANY YEAR ENDING 12/31/2007

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: \$24,983.10.

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) Maricopa County
NAME (OWNER OR OFFICIAL) TITLE Cindy Liles, CFO/SVP – Growth Management
COMPANY NAME Willow Valley Water Company

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Cindy M Liles

SIGNATURE OF OWNER OR OFFICIAL

623-586-9600

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

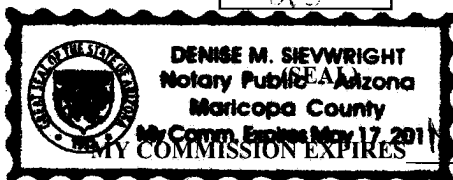
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

23rd

DAY OF

COUNTY NAME	<i>Maricopa</i>	
MONTH	<i>APRIL</i>	<i>2008</i>



Denise M Sievwright

SIGNATURE OF NOTARY PUBLIC

Amended 4/23/08

COMPANY NAME: Willow Valley Water Company YEAR ENDING 12/31/2007

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>\$11,718</u>
Estimated or Actual Federal Tax Liability	<u>\$3,715</u>

State Taxable Income Reported	<u>\$11,718</u>
Estimated or Actual State Tax Liability	<u>\$808</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	-0-
Amount of Gross-Up Tax Collected	-0-
Total Grossed-Up Contributions/Advances	-0-

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Cindy M Liles
SIGNATURE

4-23-08
DATE

CINDY M LILES
PRINTED NAME

CFO/SVP - Growth Management
TITLE

Amended 4/23/08

3-21-08
Cindy Liles
CFO/SVP
Willow Valley Water

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Maricopa County
NAME (OWNER OR OFFICIAL) TITLE Cindy Liles, CFO/SVP – Growth Management
COMPANY NAME Willow Valley Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$526,420.51

**(THE AMOUNT IN BOX ABOVE
INCLUDES \$37,810.52
IN SALES TAXES BILLED, OR COLLECTED)**

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

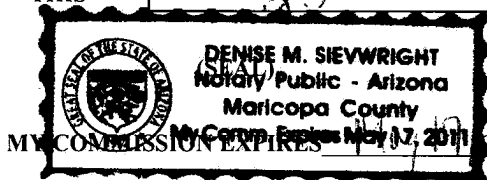
Cindy M Liles
SIGNATURE OF OWNER OR OFFICIAL
623 580-9100
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 23rd **DAY OF**

COUNTY NAME	MARICOPA	
MONTH	APRIL	2008



Denise M Sievwright
SIGNATURE OF NOTARY PUBLIC

Amended 4/23/08

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Maricopa County	
NAME (OWNER OR OFFICIAL) Cindy Liles	TITLE: CFO/SVP – Growth Mgmt
COMPANY NAME Willow Valley Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$472,099.84

THE AMOUNT IN BOX AT LEFT
INCLUDES \$34,029.47.
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Cindy M Liles

SIGNATURE OF OWNER OR OFFICIAL

623-586-9666

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

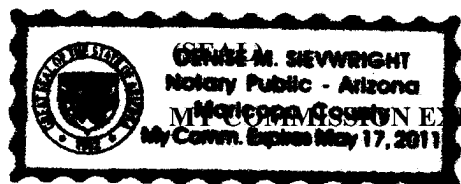
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

23rd

DAY OF

NOTARY PUBLIC NAME Denise M Sievwright	
COUNTY NAME MARICOPA	
MONTH April	2008



X Denise M Sievwright

SIGNATURE OF NOTARY PUBLIC

Amended 4/23/08